

**DELAWARE HEALTH FACILITIES AUTHORITY
MINUTES OF MEETING OF BOND COMMITTEE ON MAY 30, 2013**

NANTICOKE MEMORIAL HOSPITAL PROJECT, SERIES 2013

Minutes of Meeting of Bond Committee with regard to the Nanticoke Memorial Hospital, Inc. (the "Nanticoke Bond Committee") financing held on May 30, 2013, at the office of Potter Anderson & Corroon LLP, 1313 North Market Street, Hercules Plaza, 6th Floor, Wilmington, Delaware:

The Nanticoke Bond Committee of the Delaware Health Facilities Authority (the "Authority"), consisting of Rolf F. Eriksen, the Chairman of the Authority, William G. Neaton, Vice Chairman of the Authority, and Lisa More, a Member of the Authority, convened at 1:15 p.m. on Thursday, May 30, 2013. The Nanticoke Bond Committee was established by Resolution of the Authority, adopted May 7, 2013 (the "Authority's Resolution"), to approve the details of a revenue bond financing for the benefit of Nanticoke Memorial Hospital, Inc. (the "Hospital") as more fully described in the Authority's Resolution.

Also participating in the meeting were Emily Abrantes of Public Financial Management, Inc., the Authority's Financial Advisor (by telephone); John J. Quinn, III, Esq. of Potter Anderson & Corroon LLP, the Authority's Counsel; Lynne E. McElwee of Potter Anderson & Corroon LLP; Emilie R. Ninan, Esq. of Ballard Spahr LLP, Bond Counsel; Steven A. Rose, President and CEO, and Denise W. Jester, Chief Financial Officer, representing the Hospital (by telephone); Matthew Claeys of CliftonLarsonAllen LLP, the Hospital's auditor (by telephone); John Cheney of Ponder & Co., the Hospital's Financial Advisor (by telephone); and Donald Persinski and John Bartolini representing PNC Capital Markets LLC (the "Underwriter") (by telephone).

Wm. Jack Riddle, a Member of the Authority, connected by telephone. Mr. Riddle is not a member of the Authority's Nanticoke Bond Committee and he did not participate in the Nanticoke Bond Committee's determinations or approvals.

The meeting was duly noticed and open to the public. No members of the public were in attendance.

Mr. Eriksen called the meeting to order and invited Mr. Persinski to present the sale proposal for the Series 2013 Bonds (hereinafter defined).

Mr. Persinski made reference to the final financing schedules for the bond pricing, which Mr. Quinn had made available to the Nanticoke Bond Committee at the commencement of the meeting. Among other things, Mr. Persinski brought the following details to attention: the par amount of the Series 2013 Bonds is \$45,645,000; the Series 2013 Bonds were 2 to 3 times oversubscribed; the all-in total interest cost is 4.715909%; the Hospital's savings derived from the issue is \$3.3 million, or 7.08% on a net present value basis (which exceeded the 5% minimum threshold approved by the Hospital's Board of Directors); and the anticipated closing date is June 11, 2013. In closing, Mr. Persinski requested the Nanticoke Bond Committee to

approve the Bond Purchase Contract to be dated May 30, 2013, pursuant to which the Underwriters will purchase the Series 2013 Bonds (the “Bond Purchase Contract”).

At the invitation of Mr. Eriksen, Ms. Abrantes noted that the Bond Purchase Contract provides for an underwriting discount of 1.0% of par, or \$454,450. Ms. Abrantes stated that the terms of the Underwriter’s proposal with respect to the Series 2013 Bonds complied with the limitations set forth in clauses (i) - (vi) of Section 5(b) of the Authority’s Resolution, including that the financial covenants and security of the Series 2013 Bonds are at least as restrictive on the Hospital and provide at least the same level of security for the bondholders thereof as was provided in the agreements and documents presented in draft form to the Authority and its Counsel at its meeting of May 7, 2013. Ms. Abrantes recommended that the Nanticoke Bond Committee approve the Underwriter’s proposal.

Mr. Eriksen asked whether the Hospital was satisfied with the interest rates on the Series 2013 Bonds. Mr. Rose answered affirmatively.

After further discussion, Mr. Quinn advised that the proposal was within the parameters established by the Authority’s Resolution including: (i) minimum authorized denominations of the Series 2013 Bonds of at least \$100,000, and (ii) a limitation on permitted investors in the Series 2013 Bonds by the Underwriter’s representation, warranty, and agreement in the Bond Purchase Contract not to offer or sell other than to accredited investors.

At Mr. Eriksen’s request, Mr. Quinn then presented the following Resolution to the Nanticoke Bond Committee for its consideration:

RESOLVED THAT:

1. The Authority shall issue its Revenue Bonds (Nanticoke Memorial Hospital Project) Series 2013 in the aggregate principal amount of \$45,645,000.00 (the “Series 2013 Bonds”) pursuant to the Trust Indenture with The Bank of New York Mellon Trust Company, N.A., as Trustee (the “Trustee”) dated as of June 1, 2013 (the “Indenture”).
2. The Authority shall lend the proceeds of the Series 2013 Bonds to the Hospital pursuant to the Loan, Mortgage and Security Agreement dated as of June 1, 2013 (the “Loan Agreement”) for the purposes described in the Authority Resolution.
3. The final maturity of the Series 2013 Bonds on July 1, 2032 is within fifty (50) years of the date of issuance. The maturity schedule with interest rates of the Series 2013 Bonds is set forth in Exhibit A. The purchase price for the Series 2013 Bonds shall be as set forth in Exhibit A.
4. The Nanticoke Bond Committee hereby approves the following documents which are hereby authorized to be executed and delivered in such form as the signers thereof shall approve to carry out the intent of this Resolution: the Bond Purchase Contract; the Indenture; the Series 2013 Bonds and certificates relating thereto; the Loan Agreement; an Official Statement dated May 30, 2013 relating to the Series 2013 Bonds, which shall be substantially in the form available to the Bond Committee as of commencement of the meeting; and, after taking under

consideration the advice of the Authority's Counsel and having determined its advisability, a Tax Compliance Certificate of the Authority and the Hospital applicable to the Series 2013 Bonds.

5. The Nanticoke Bond Committee hereby acknowledges and approves the following document to be executed by parties other than the Authority in connection with the issuance of the Series 2013 Bonds: a Continuing Disclosure Agreement of the Hospital relating to the Series 2013 Bonds, substantially in the form presented to the Bond Committee at this meeting with such changes as the Chairman or Vice Chairman of the Authority may agree to after taking under consideration the advice of the Authority's Counsel.

6. The Chairman, the Vice Chairman and all other officers of the Authority, or any of them, are authorized to execute and deliver any of the foregoing instruments as well as any other instruments or certificates required to accomplish the intent of this Resolution.

After further discussion, the Resolution was moved by Mr. Neaton, seconded by Ms. More, and unanimously approved by the Nanticoke Bond Committee.

There being no further business to come before the meeting, the meeting was adjourned at 1:40 p.m.

[Signatures on Next Page]

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I, Rolf F. Eriksen, hereby certify that the foregoing is a true and correct copy of the Minutes of a meeting of the Nanticoke Bond Committee of the Delaware Health Facilities Authority held on May 30, 2013.

Rolf F. Eriksen
Chairman

1107700v3

EXHIBIT A
MATURITY SCHEDULE

Series 2013

Maturity Date (July 1)	Amount	Fixed Rate	Price	CUSIP
2014	\$1,520,000	4.000%	102.511	246388 QS4
2015	\$1,585,000	4.000%	104.315	246388 QT2
2016	\$1,645,000	4.000%	105.229	246388 QU9
2017	\$1,725,000	5.000%	109.421	246388 QV7
2018	\$1,810,000	5.000%	110.203	246388 QW5
2019	\$1,905,000	5.000%	109.893	246388 QX3
2020	\$2,000,000	5.000%	109.500	246388 QY1
2021	\$2,105,000	5.000%	108.619	246388 QZ8
2022	\$2,200,000	4.000%	100.148	246388 RA2
2023	\$2,305,000	5.000%	107.097	246388 RB0
2024				
2025				
2026				
2027				
2028	\$13,415,000	5.000%	103.026	246388 RC8
2029				
2030				
2031				
2032	\$13,430,000	5.000%	101.179	246388 RD6

PURCHASE PRICE

\$45,645,000.00	Total Par Amount
\$ 1,830,774.60	Premium/Discount
(\$ 456,450.00)	Less Underwriter's Discount
<u>\$47,019,324.60</u>	Purchase Price